

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 06973 01 OF 02 140538Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 CIAE-00 INRE-00 /026 W
-----140540Z 125920 /11

O 131615Z MAY 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC NIACT IMMEDIATE 3401

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 6973

EXDIS

C O R R E C T E D C O P Y FOR PREC //NIACT IMMEDIATE VICE NIL//

C O R R E C T E D C O P Y (CORRECTION IN PARA 3)

FOLLOWING SENT ACTION NEW DELHI FROM
BOMBAY MAY 13, 1977
REPEATED FOR YOUR ACTION

QUOTE
CONFIDENTIALBOMBAY 1110

EXDIS

FOR CHARGE FROM COURTNEY

E.O. 11652: GDS
TAGS: TECH, IN
SUBJECT: TARAPUR

REF: STATE 107344

1. IMMEDIATELY AFTER I HAD MADE PRESENTATION TO SETHNA OF
REFTEL SETHNA RECEIVED A TELEPHONE CALL WHICH HE IDENTIFIED AS
BEING FROM AN UNNAMED MINISTER IN NEW DELHI. DURING HIS
TELEPHONE CALL SETHNA SAID THAT I WAS IN HIS OFFICE AND HAD
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JUST GIVEN HIM DETAILS OF THE U.S. EXECUTIVE BRANCH POSITION
ON FUEL FOR TARAPUR AND NONPROLIFERATION TALKS. HE SAID THAT
HE REGRETTED THAT WHAT HE HAD RECEIVED FROM ME WAS NOT AS
OPTIMISTIC AS PORTENDED IN THE INDIAN NEWSPAPERS REPORTS THIS
MORNING. HE CHARACTERIZED U.S. POSITION ON TARPUR
SUPPLY AS "UNCERTAINTLY SURROUNDED BY IFS AND BUTS."
HE ALSO TOLD HIS CALLER THAT WE HAD NOT SPECIFIED OUR

INTERESTS IN NONPROLIFERATION TALKS. HE SAID WE
SIMPLY ASKING FOR UNDEFINED TALKS ON THAT GENERAL SUBJECT.
HE SUGGESTED THAT HIS CALLER CONTACT VELLODI
FOR THE SPECIFICS OF THE DISCUSSION WITH CHARGE SCHNEIDER.

2. WHEN HE HAD COMPLETED HIS TELEPHONE CONVERSATION
SETHNA REMARKED THAT HE HAD KILLED TWO BIRDS WITH ONE STONE IN GIVING
ME AND DELHI HIS REACTION TO OUR
PRESENTATION. I SAID THAT I DID NOT FIND THIS VERY
ENCOURAGING AND THAT I REALLY THOUGHT THERE WAS MORE IN
WHAT I HAD TOLD HIM THAN IN WHAT HE HAD CONVEYED IN HIS
TELEPHONE CONVERSATION. HE RETORTED THAT ALL SUMMARIES
ARE INCOMPLETE AND THAT HIS CALLER COULD GET A FULLER
ACCOUNT IN NEW DELHI.

3. I ASKED WHETHER HE THOUGHT THE GOI WOULD AGREE TO OUR
PROPOSAL FOR TALKS. HE THOUGHT OUR PRESENTATION HAD COM-
PLICATED THE STARTING OF SUCH TALKS BECAUSE IT WAS TOO VAGUE.
HE SAID FIRST OF ALL THE GOI WILL HAVE TO KNOW THE AMOUNT AND
STRUCTURE OF THE PARTIAL SHIPMENT OF XSNM-845 THAT WE ARE NOW
PREPARED TO RECOMMEND. HE HOPED THAT THIS DATA WOULD BE GIVEN
TO AMBASSADOR KEEAL SINGH IN HIS TALKS AT THAT DEPARTMENT WHICH
SETHNA UNDERSTOOD WERE SCHEDULED AT 4:30 P.. TODAY.

4. I THEN ASKED WHAT WOULD BE THE PROSPECTS FOR NON-
PROLIFERATION TALKS IF WE ASSUME THE GOI IS SATISFIED WITH OUR
XSNM-845 OFFER. SETHNA REPLIED INDIRECTLY BY SAYING THAT PM
MORARJI DESAI HAD RECENTLY ASKED HIM DIRECTLY WHAT THE PROSPECTS
WERE FOR CONTINUING COOPERATION WITH THE UNITED STATES INVIEW
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OF PRESIDENT CARTER'S NONPROLIFERATION PROPOSALS TO THE CONGRESS.
SETHNA SAID THAT HE HAD REPLIED, DRAWING UPON INFORMATION IN THE
"FACT SHEET" ACCOMPANYING THE LEGISLATIVE PROPOSAL, AS FOLLOWS:
THERE SEEM TO BE FOUR POSSIBILITIES, ONE THAT INDIA
ACCEPTS THE RISK OF A CUT-OFF IF IT DECIDES THAT ANOTHER
ONE IS NECESSARY; TWO, THAT INDIA TAKE AT FACE VALUE
PRESIDENT CARTER'S STATEMENTS THAT HE WILL NOT INSIST
UPON ADHERENCE TO THE NON-POLIFERATION TREATY, BUT WOULD
ACCEPT THE KIND OF COMMITMENT THAT INDIA, AS AN ADHERENT
OF NONPROLIFERATION, WOULD BE PREPARED TO GIVE; THREE,
THAT THE UNITED STATES IS REASONABLE ON THE SAFEGUARDS
ISSUE AND DOES NOT INSIST ON COVERAGE OF ALL OF INDIA'S
NUCLEAR INSTALATIONS BY IAEA SAFEGUARDS; AND FOUR,
A BREAK-OFF IN COOPERATION.

5. SETHNA SAID THAT AS INDICATED BY THE PRECEDING ANALYSIS
THERE IS SOME POSSIBILITY THAT INDIA WOULD BE WILLING
TO ENGAGE IN THE TYPE OF COMPREHENSIVE TALKS THAT SEEM
TO BE PORTENDED BY THE NEW U.S. ADMINISTRATION'S NON-

PROLIFERATION OBJECTIVES. HOWEVER, HE SAW PROBLEMS THAT DELHI WOULD RAISE BEFORE AGREEING TO SUCH TALKS. AS HE HAS OFTEN DONE, HE SAID THAT THE BASIC ATMOSPHERE OF LIVING UP TO OUR COMMITMENTS ON TARAPUR, EVEN IF WE WANT TO RENEGOTIATE THAT CONTRACT, IS MOST IMPORTANT. HE HOPED THAT THE QUANTITY AND THE QUALITY OF THE OFFER UNDER XSNM-845 WOULD NOT BE SUCH AS TO BADLY PREJUDICE THE ATMOSPHERE FOR TALKS. HE SAID THAT RUNNING DOWN THE INVENTORY OF FINISHED FUEL ASSEMBLIES OR LEAVING INDIA WITH AN UNUSABLE MIX OF ENRICHMENT GRADES WOULD NOT BE CONDUCTIVE TO THE KIND OF TALKS THE U.S. APPARENTLY WANTS. HE FELT THAT SUCH TACTICS WOULD SIMPLY GET INDIA'S BACKS UP AND MAKE THE INITIATION OF SERIOUS TALKS MORE DIFFICULT.

6. SETHNA ALSO FELT THAT THE SCOPE OF THE TALKS WOULD HAVE TO BE DEFINED MUCH MORE CLEARLY BEFORE MORARJI DESAI'S GOVERNMENT WOULD AGREE TO NEGOTIATIONS. HE
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FELT WE SHOULD SPECIFY IN WRITING JUST WHAT WE WANT TO RENEGOTIATE IN THE TARAPUR AGREEMENT. AS HE PUT IT, THERE ARE SO MANY NEWLY JOINED ELEMENTS IN NEW DELHI THAT TO GET THE CONFIDENCE NECESSARY FOR A CABINET DECISION TO ENGAGE IN SUCH NEGOTIATIONS THE OUTLINE OF WHAT IS TO BE EXPECTED FROM THEM WOULD HAVE TO BE QUITE CLEAR.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----131742Z 105207 /45

O 131615Z MAY 77 ZFF
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC NIACT IMMEDIATE 3402

C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 6973

EXDIS

FOL IS BOMBAY CONTEL 1110 TO NEW DELHI DTD MAY 13, 1977 SIGNED

COURTNEY

QUOTE

C O N F I D E N T I A L SECTION 2 OF 2 BOMBAY 1110

EXDIS

FOR CHARGE FROM COURTNEY

E.O. 11652: GDS
TAGS: TECH, IN
SUBJECT: TARAPUR

REF: STATE 107344

7. I ASKED HIM WHETHER HE WAS NOT OVEREMPHASIZING THE NEED FOR LARGELY FULFILLING XSNM-845 SINCE HE HAS MAINTAINED SO STRONGLY THAT STORAGE SPACE FOR WASTE IS THE REAL BOTTLENECK AT TARAPUR. HE AGREED THAT SUCH A QUESTION COULD PROPERLY ARISE AND SAID THAT IT COULD BE ANSWERED IN ONLY TWO WAYS. THE FIRST WAS PSYCHOLOGICAL IN THAT A CONTINUING SUPPLY OF FUEL WOULD DEMONSTRATE OUR CONFIDENCE IN, AND HOPE FOR, A GOOD OUTCOME. THE SECOND WAS THAT ONCE THE CONFIDENTIAL

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STORAGE PROBLEM IS OVERCOME THROUGHOUT THE CREATION OF ADDITIONAL FACILITIES HE WOULD THEN HAVE ENOUGH FUEL ON HAND TO "BUNG IN" MORE THAN 100 BUNDLES THAT WILL CERTAINLY BE NEEDED BECAUSE HE IS NOW USING THE REACTORS IN EFFECT AS A PARTIAL STORAGE BIN. ALSO HE COULD MOVE AHEAD WITH CONFIDENCE ON HIS PLANS FOR GOING TO A SEVEN-BY-SEVEN CONFIGURATION IN FUEL ASSEMBLIES. AT THIS STAGE HE RECALLED THE PHRASE IN REFTEL THAT HE COULD OPERATE ON SCRAP ONLY UNTIL AUGUST AND SAID THAT HE WAS NOT GOING TO DO THAT. HE SIMPLY IS GOING TO CLOSE DOWN THE ENRICHED URANIUM LINE AT HYDERABAD BECAUSE IT IS TOO INEFFICIENT TO OPERATE ON SCRAP ALONE. I POINTED OUT THAT HE COULD GET AT LEAST 26 ADDITIONAL BUNDLES BY KEEPING THE SCRAP-ONLY OPERATION GOING UNTIL AUGUST AND HE SAID HE COULD GET THIS PRODUCT ANY TIME IF FRESH FUEL DOES NOT COME, SO THERE WAS NO POINT OF ASKING HIS TECHNICIANS TO WORK UNDER SUCH POOR CONDITIONS NOW.

8. SETHNA SAID THAT HE THOUGHT THE INDIAN GOVERNMENT HAD CONCLUDED AFTER THE INITIAL SHOCK FROM PRESIDENT CARTER'S STATEMENTS THAT THERE IS SOME HOPE OF KEEPING COOPERATION GOING. HE HOPED THAT THIS POSSIBILITY WOULD NOT BE FORECLOSED BY MALADROIT OR HEAVY-HANDED TACTICS BY EITHER SIDE. HE AGAIN PROMISED TO DO EVERYTHING HE CAN TO GET THE GOI TO TAKE A LONG-TERM VIEW OF THIS PROBLEM AND TO

REMEMBER THAT BOTH THE UNITED STATES AND INDIA SHARE THE
COMMON GOAL OF NONPROLIFERATION, BUT DIFFER ON METHODS FOR
REACHING IT.

9. SETHNA CLOSED THE TALK BY SAYING THAT HE HOPED THAT
KEWAL SINGH GETS ANSWERS TO SOME OF THE KEY QUESTIONS MENTIONED
ABOVE PARTICULARLY ON CONTENT OF XSNM-845 AND SPECIFICS OF
NONPROLIFERATION TALKS. HE PROMISED TO CALL ME ON MONDAY AFTER
RECEIVING THE REPORT FROM INDIA'S AMBASSADOR IN WASHINGTON.
IN ANY CASE, I AM HAVING A SMALL DINNER WITH SETHNA MONDAY
EVENING, SO I HOPE THAT I WILL THEN HAVE AVAILABLE THE
DEPARTMENT'S REPORT OF THE TALKS WITH AMBASSADOR SINGH.
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UNQUOTE
SCHNEIDER

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Message Attributes

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